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Commissioner  
CARL J. KUNASEK  
Commissioner

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF TRICO ELECTRIC  
COOPERATIVE, INC.'S UNBUNDLED  
AND STANDARD OFFER RATES  
PURSUANT TO A.A.C. R14-2-1606

Docket No. E-01461A-97-0696

AMENDMENT TO APPLICATION OF  
TRICO ELECTRIC COOPERATIVE,  
INC. PURSUANT TO A.A.C. R14-2-  
1613.N

Trico Electric Cooperative, Inc., an Arizona nonprofit corporation ("Trico"), filed its Application on November 13, 1998, pursuant to A.A.C. R14-2-1615.C., with the Arizona Corporation Commission ("Commission") for an extension of time from January 1, 1999 to March 31, 1999, in which to commence billing its customers not electing competition pursuant to A.A.C. R14-2-1613.N ("said Rule"). In its Application, Trico stated that if its Application was granted, it would:

1. Bill all of its customers electing competition pursuant to said Rule commencing January 1, 1999 in accordance with said Rule.
2. Commence billing its customers who have not elected competition pursuant to said Rule on March 31, 1999.

Pursuant to the all-requirements Wholesale Power Contract between Trico and Arizona Electric Power Cooperative, Inc. ("AEPCO") dated February 15, 1962, as amended, Trico is required to purchase all of its electricity from AEPCO. AEPCO bills Trico for all of the wholesale power which it sells to Trico on a bundled basis, which includes generation, transmission and ancillary service charges and Trico cannot unbundle those charges for its various classes of customers. Trico requests that so long as AEPCO sells wholesale electricity on a bundled basis, that Trico not be required as provided in said Rule, that it bill cost elements for generation, transmission and ancillary services separately and that Trico be permitted to bill such services to all of its customers on the bundled basis as billed to it by AEPCO.

Since the initial adoption of the Electric Competition Rules, AEPCO and its Class A Members, including Trico, have diligently been involved in the restructuring of AEPCO which restructuring consists, among other things, in separating the generation and transmission functions of AEPCO into separate nonprofit electric generation and transmission cooperative corporations. AEPCO has held many meetings with the Rural Utilities Service ("RUS") of the United States Department of Agriculture, AEPCO's principal lender, to obtain the approval of RUS to such restructuring and upon obtaining such approval, AEPCO will make application to this Commission for its approval of such restructuring. At such time as AEPCO (or restructured AEPCO) provides Trico with its bill for the unbundled generation, transmission and ancillary services, Trico will bill such services on an unbundled basis to all of its customers.

Granting the requested waiver is in the public interest for the following reasons:

1. Trico is unable to provide in its billings to its customers the separate unbundled generation, transmission and ancillary services which it receives from AEPCO.
2. The failure to bill its customers such separate unbundle services will not substantially impair the Commission's objectives regarding competition in the electric utility industry.
3. At such time as Trico obtains the necessary information to bill its customers for

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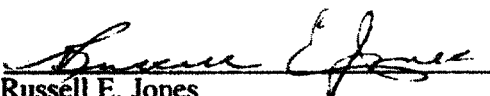
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such separate unbundled services, it will do so.

WHEREFORE, Trico respectfully amends its Application filed pursuant to said Rule to request that the Commission grant Trico a waiver to bill its customers the generation, transmission and ancillary services Trico receives from AEPCO on a bundled basis until Trico receives the necessary information to bill such unbundled services separately and requests the Commission enter its Order granting Trico's Application as so amended.

RESPECTFULLY SUBMITTED this 25th day of November, 1998.

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By:   
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Original and 10 copies of the foregoing  
filed this 25th day of November, 1998,  
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Copy of the foregoing faxed this  
25th day of November, 1998, to::

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